



*eSCon europe*

The eSports Conference

April 5-6, Le Meridien Piccadilly, London  
[www.esports-europe.com](http://www.esports-europe.com)

# EUROPEAN ESPORTS CONFERENCE BRIEF

FEBRUARY 2017



# The eSports Conference

# eSCon Europe - The eSports Conference

# Le Meridien Piccadilly, London

Generating the connections and insights to build a thriving eSports industry.  
New for 2017: 1-to-1 pre-scheduled meetings.





The **SuperData Arcade and Player Profile** are the world's most robust and only cross-platform business intelligence tools on the worldwide games market. Housing all of SuperData's gold-standard quantitative and consumer research on video games, the Arcade allows for insights ranging from high-level trends to granular data on over **500 games and 100 publishers**. The metrics contained here represent the largest and comprehensive view of the vast and growing digital games market.

## The Arcade and Player Profile allow users to:

- **Gain a comprehensive overview** of the digital games market, across platforms, titles and markets.
- **Learn beyond the numbers**, seeing what players like and why.
- **Create custom queries and segmentation** across all data and export to .csv or PDF format for full analytical control and presentations.
- **Spot opportunities early** and find out when key competitors struggle to maintain conversion rates and average spending.
- **Automatically receive custom data pulls** by email as soon as updates are available.

**To arrange a demo of the SuperData Arcade, contact Sam Barberie at [sam@superdataresearch.com](mailto:sam@superdataresearch.com).**



# SuperData Research

## **SuperData provides relevant market data and insight on digital games and playable media.**

Founded by veteran games industry researchers, SuperData covers the market for free-to-play gaming, digital console, mobile, PC downloadable, gaming video content, eSports and virtual reality.

**Monthly analyses and industry reports using digital point-of-sale data.** Using digital point-of-sale data received from publishers, developers and payment service providers, we base our analyses on the monthly spending of 37 million paying digital gamers worldwide.

**Understand what people play, connect to and spend on.** Our research combines transaction-level data with qualitative consumer insight. Our leadership team has experience spanning across major research firms, including NPD, Nielsen, DFC Intelligence, Comscore, Experian, Jupiter and Forrester.

**A next gen approach for next gen entertainment.** Our customer base includes legacy publishers (e.g. Activision/Blizzard, Ubisoft), digital-only publishers (e.g. Nexon, Tencent, Wargaming), media companies (e.g. Google, Coca-Cola) and industry service providers (e.g. PayPal, Visa, GameStop).



# Executive Summary

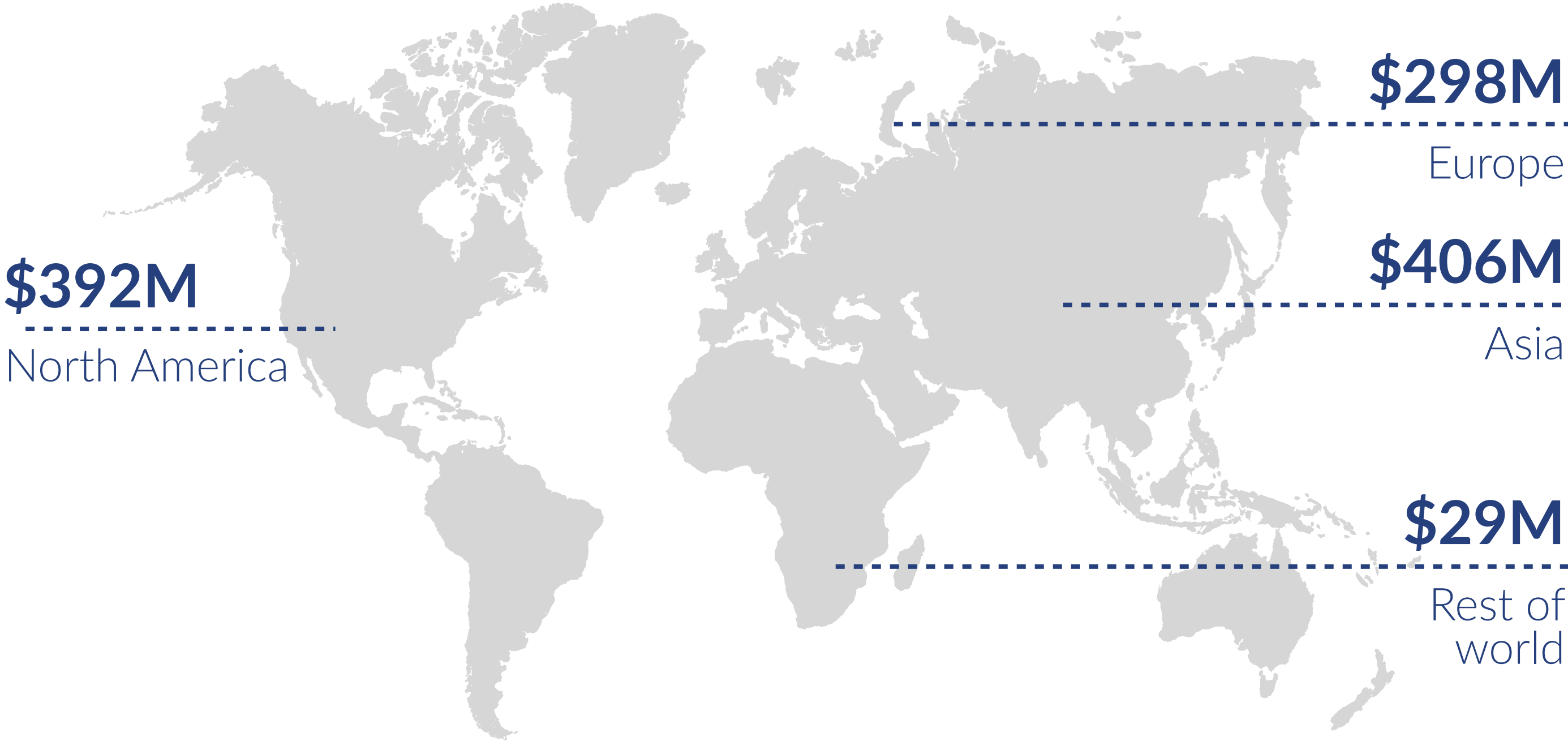
- **The global eSports market is worth \$1.13B and will grow to \$1.24B next year.** Advertising and sponsorship accounts for 74% of earnings as mainstream companies vie for young eSports viewers.
- **eSports audience numbers will reach 330M by 2019.** *Rocket League* and other games with low barriers to entry are becoming eSports and attracting more casual viewers.
- **Riot's *League of Legends* is the most-watched eSports game in the world.** The game's successful pro scene is the result of a 100M strong player base and a tightly controlled eSports ecosystem.
- **Facebook and TV networks like ESPN are making an eSports push to attract young viewers.** Current fans will stick with streaming sites like Twitch, but new platforms lower the barrier to entry for eSports viewing.
- ***Overwatch* earned \$767M in 2016 and has the potential to be the next big eSport.** Blizzard's First-person Shooter includes features often seen in eSports titles like characters with distinct personalities and powers.



# Publishers vie for global domination over the \$1.13B eSports market

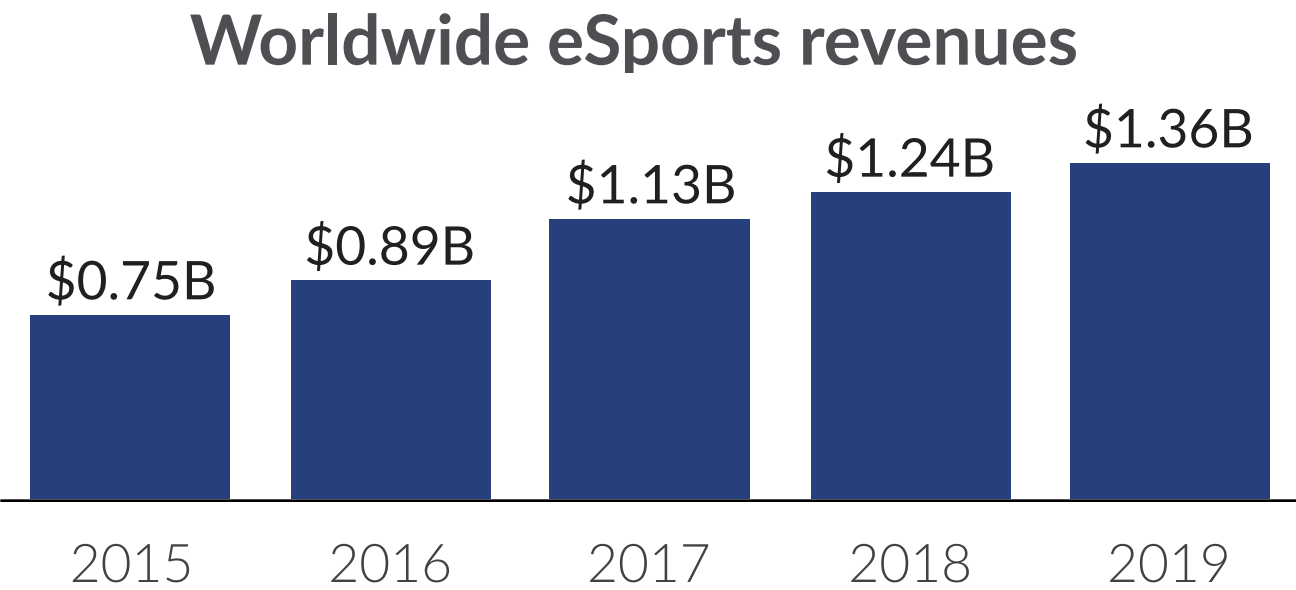
eSports bear fruit for top publishers but with market growth at only \$233M in 2017, many new hopefuls will be boxed out.

## Worldwide eSports revenues by region, 2017



Publishers amp up investment and will push eSports revenues past \$1B this year, but slow growth means stiff competition in a limited market.

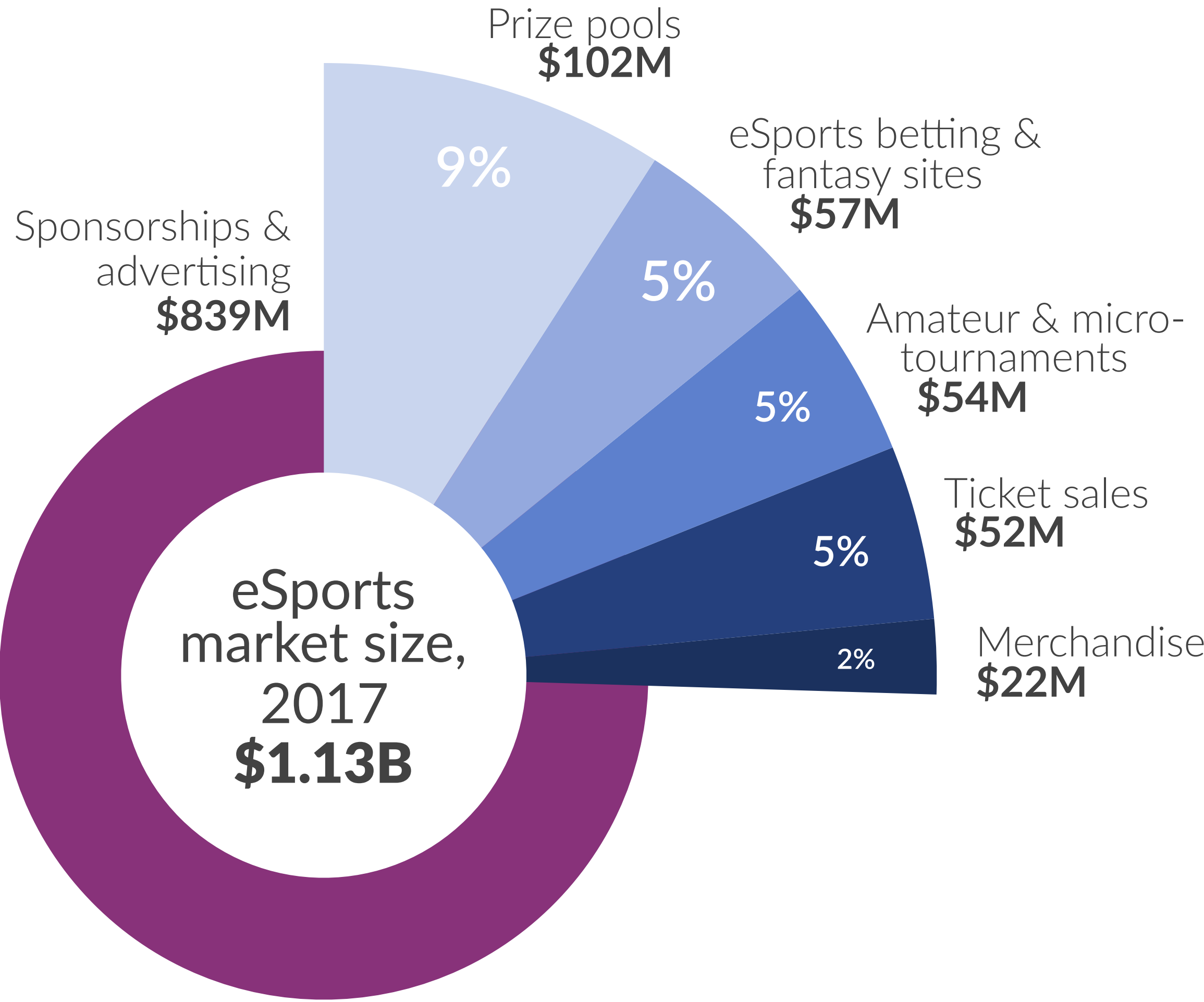
- Initiatives by large and small western publishers like Activision and Psyonix will grow Europe and North America’s combined revenue by 27% in 2017.
- European soccer clubs such as Paris Saint-Germain and FC Schalke have taken note of eSports’ potential to reach new audiences. Both organizations now have dedicated *League of Legends* teams.





# Over a quarter of 2017 eSports earnings come from direct revenue

Direct revenue like ticket sales and betting hits \$231M in 2017, up 36% year-over-year.



## INDIRECT: 74%

- Mainstream sponsors like Coca-Cola and Visa have taken notice of eSports' popularity.
- By year's end, sponsorships of tournaments, players and eSports-related sites will hit \$839M, 5% more than the NBA's sponsorship total for the 2015-2016 season.

## DIRECT: 26%

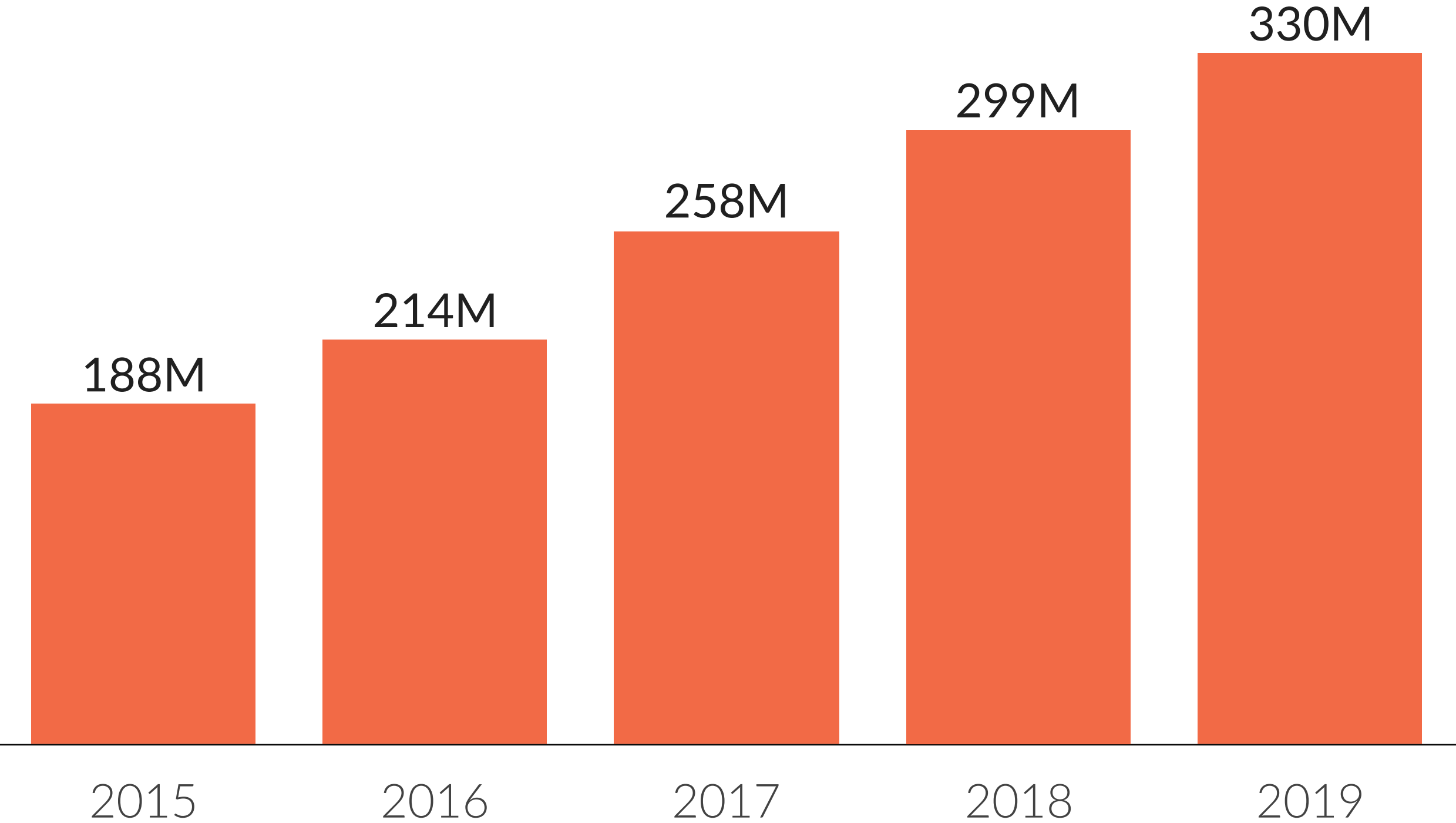
- eSports prize pools hit \$102M in 2017, up 27% year-over-year. Publishers like EA are spending over \$1M on prizes for their games to attract media attention and high-level players.
- Game makers and third-party organizers are running more tournaments with large in-person audiences. As a result, ticket and merchandise sales grow to \$74M, up from \$53M last year.



# Worldwide eSports viewership will increase 21% in 2017

Despite slow revenue growth, more tournaments and platforms drive global viewership to more than 300M by 2019.

Worldwide eSports audience



eSports will gain 72M more viewers by 2020.

- eSports are not just accessible to core gamers anymore. Popular titles with lower barriers to entry like *League of Legends*, *Rocket League* and *Hearthstone* are also becoming eSports, drawing more casual gamers.
- Publishers are rewarding eSports participation: Valve raised money for The International *Dota 2* Championships' prize pool by selling exclusive game content.
- The relationship between viewership and ROI is still unclear, so added viewers are not necessarily indicators of revenue growth.



# Riot's *League of Legends* is the world's most-popular eSports title

The game owes its eSports success to a player base of nearly 100M, but future growth is at risk.

Riot's tight control over its professional ecosystem means *League of Legends* eSports has unmatched polish.

- The publisher directly regulates five regional leagues. *League of Legends* eSports production values are top-notch, since Riot employs full-time commentators and video producers.
- The 2016 *League of Legends* World Championship drew 43M online viewers and an additional 20K in-person attendees.

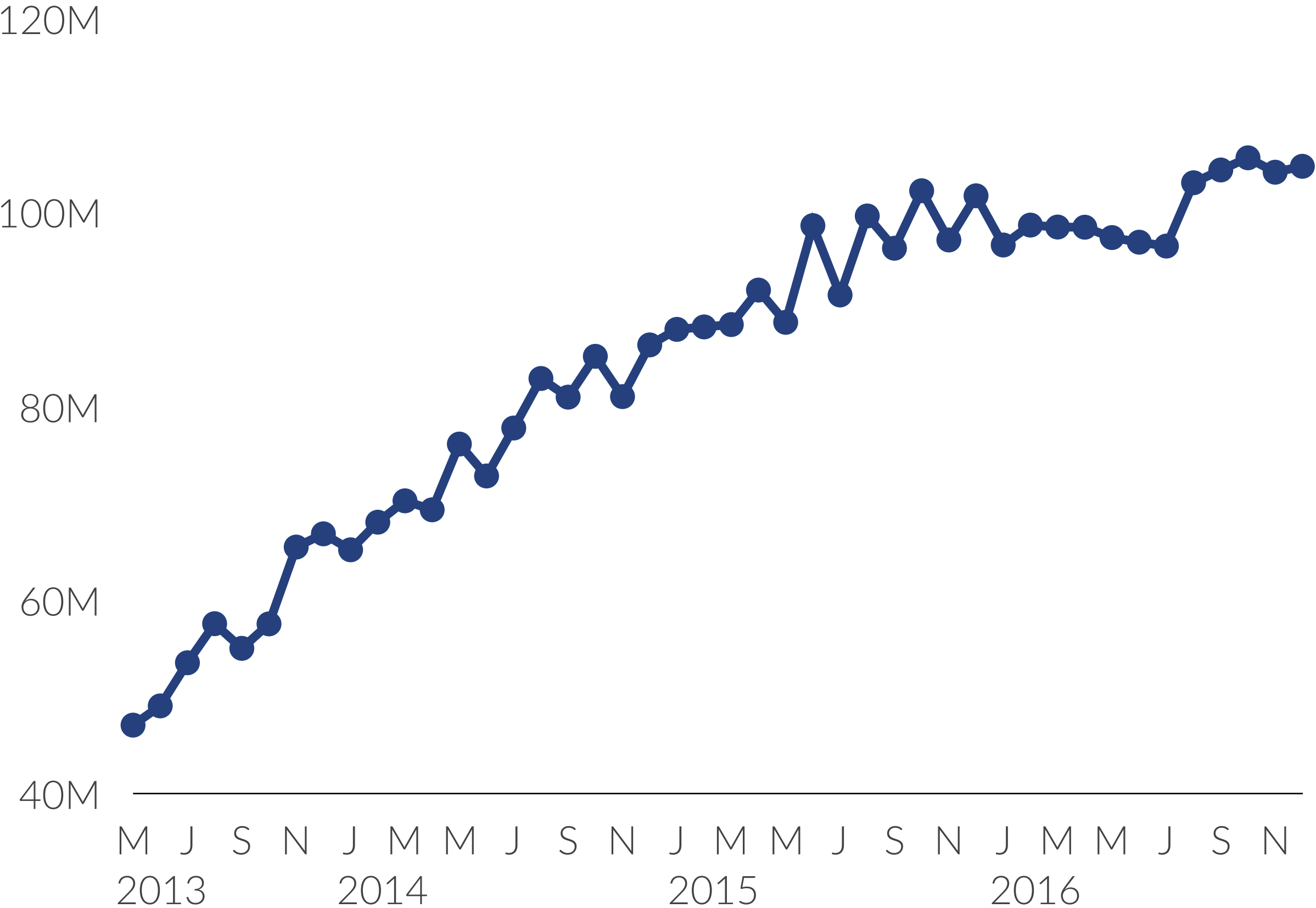
*League of Legends* is maturing, presenting challenges for future viewership.

- User numbers are not growing as fast as they once did. The game had 104M players in September 2016, up 8% year-over-year. In comparison, audience size grew 19% from September 2014 to 2015.

Direct control of the ecosystem limits the size of the *League of Legends* eSports audience and talent pool.

- Due to the emphasis on Riot's regional leagues, tournaments from third-party organizations like ESL are viewed as second-tier and do not attract the viewership of Riot-run events.
- Without a wide breadth of professional events, second-tier teams have limited opportunities to earn a living through prize winnings and sponsorships.

*League of Legends* audience (MAU)



# TV networks and Facebook use eSports to draw young viewers

New distribution methods expand eSports' appeal, but longtime fans continue to stream on sites like Twitch.



TV networks are moving into eSports to reach an affluent, tech savvy audience.

- ESPN2 has aired tournaments for games including Blizzard's *Heroes of the Storm* while ESPN.com has a dedicated eSports section.
- In 2015, Swedish TV and radio broadcaster MTG purchased eSports festival organizer DreamHack and Turtle Media, the parent company of ESL. To modernize its business, MTG sold off several pay TV businesses during the same period.

Online streams will remain the most popular way to watch eSports.

- TV ratings for ELEAGUE, a series of *Counter-Strike* competitions on U.S. cable channel TBS, average around 250K. In comparison MLG's April 2016 *Counter-Strike* championships drew 1.3M concurrent online viewers.
- Streaming platforms like Twitch offer a wider variety of content and viewers can easily chat with others and track competitor stats.
- The culture and core audience for eSports originated online, so longtime fans do not feel TV legitimizes eSports.



Facebook aims to stay competitive among young, male users by becoming an eSports destination.

- European eSports team G2 recently signed a deal to stream games and content on Facebook, and the site will broadcast the next *Heroes of the Storm* tournament (previously on ESPN2).
- Former pro *League of Legends* player Stephen "Snoopeh" Ellis has joined Facebook and will use his industry relationships to get companies and players to put more eSports content on the site.

As a mainstream platform, Facebook lowers the barrier to entry for online eSports viewing.

- Aspects of Twitch (like its lightning-fast chat feed) intimidate newcomers, but Facebook's features are well-known. Users can come across eSports streams in Facebook feeds without actively seeking out game content.
- MLG live streams on its Facebook page to attract viewers who do not visit the MLG.tv site. Streaming on Facebook in addition to dedicated gaming sites draws in casual fans and costs less than creating full-fledged TV productions.



# Overwatch is poised to be the next big eSport

Blizzard's first original IP since 1998 benefits from the publisher's pedigree and resources.

Genre	First-person shooter
2016 digital revenue	\$767M
Number of players	6 vs. 6
Match length	5-10 minutes
Playable characters	23 (Teams can switch characters mid-match to change their strategy)
Gameplay	Objective based: Teams fight to control points on a map. Like MOBAs, the winning team is not the one with the most kills.

**Overwatch already has over 25M total players after its 2016 launch.**

- *Overwatch* is on PC and consoles, making it accessible to console gamers who cannot play some of the biggest PC eSports games like *Dota 2*.
- The first-person shooter temporarily overtook *League of Legends* as the most-played game in Korean internet cafés and was the first title to do so in four years. *Overwatch* is a full-price game, but internet café users in Korea can pay an hourly rate to play.
- Chinese gamers are usually adverse to paying upfront for games, but *Overwatch* has sold over 3M copies in the country.

**Overwatch League is set to launch in 2017 and will take lessons from live-action sports.**

- Teams will be based in major cities worldwide, so fans have a regional team to root for.
- At the start of each season, players will try out at a combine (a set of skill evaluations) and can be drafted.
- To create a stable ecosystem, players will receive a minimum salary and benefits package.

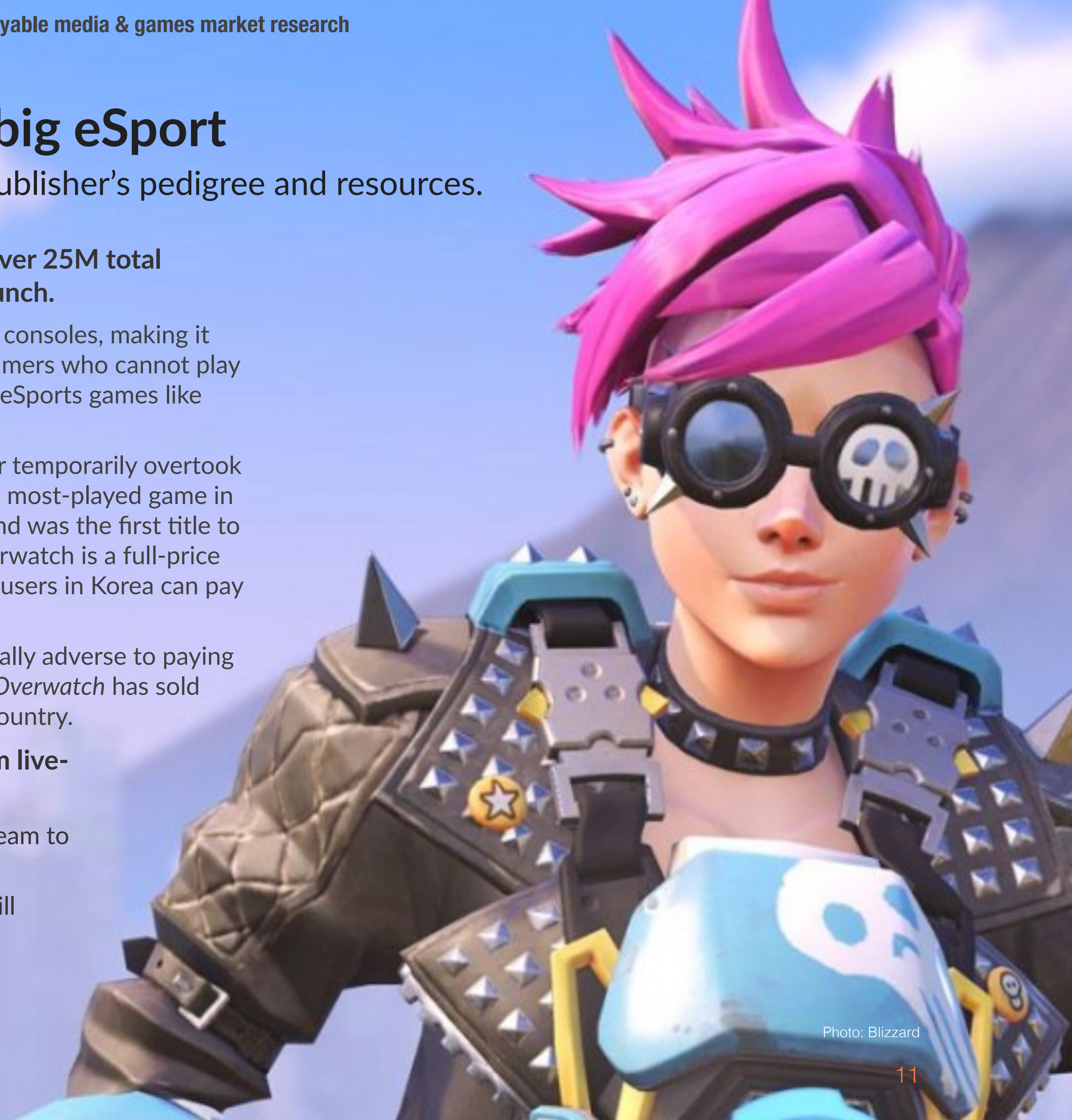


Photo: Blizzard



# Methodology

## IN THIS STUDY:



**Data:** 301,211,221 unique transactions



**Time period:** January 2012 Year to December 2016



**User base:** 87,246,158 unique gamers

Every month we collect spending data on millions of unique online gamers directly from publishers and developers, totaling 50+ publishers and 450+ game titles.

We combine the digital point-of-sale data with qualitative consumer insights to speak to the “why” of the market.



We clean, aggregate and analyze these data to establish market benchmarks and models for all segments of digital games and interactive media.

Our research covers everything from worldwide genre benchmarks to title-level KPIs, country-level deep dives and brand equity.

For a more detailed overview and explanation of our methodology and data collection, please refer to our website: [www.superdataresearch.com/methodology](http://www.superdataresearch.com/methodology)



# Contact

## **VP, Research & Strategy**

Stephanie Llamas

## **Business Development Manager**

Giancarlo Chaux

[giancarlo@superdataresearch.com](mailto:giancarlo@superdataresearch.com)

## **VP, Product & Business Development**

Sam Barberie

[sam@superdataresearch.com](mailto:sam@superdataresearch.com)



401 Park Ave. South, 10 FL

New York, NY 10016

(646) 248-5241

[www.superdataresearch.com](http://www.superdataresearch.com)

Twitter: @\_SuperData



[www.superdataresearch.com](http://www.superdataresearch.com)